United Nations A/55/380

General Assembly

Distr.: General
13 September 2000

Original: English

**Fifty-fifth session**
Agenda item 115
**Financial reports and audited financial statements, and reports of the Board of Auditors**

# First report on the implementation of the recommendations of the Board of Auditors on the accounts of the United Nations for the biennium ended 31 December 1999

**Report of the Secretary-General***

## I. Introduction

1. In paragraph 7 of its resolution 45/216 B of 23 December 1993, the General Assembly requested the Secretary-General and the executive heads of the United Nations organizations and programmes to report to it, at the same time as the recommendations of the Board of Auditors were submitted to the General Assembly, through the Advisory Committee on Administrative and Budgetary Questions, on measures taken or to be taken in response to those recommendations.

2. The present report has been prepared accordingly, on the assumption that the recommendations made by the Board of Auditors in its report on the biennium ended 31 December 1999[1] would be approved by the General Assembly at its current session. Information is provided on measures taken or to be taken to implement the recommendations of the Board of Auditors, including a timetable, where appropriate.

3. In preparing the present report, account was also taken of the provisions of General Assembly resolutions 49/216 A of 23 December 1994, in particular paragraphs 9 and 10, 49/216 B, paragraphs 3 and 4, 49/216 C, paragraph 3, 50/204 A of 23 December 1995, paragraph 4, 51/225 of 3 April 1997, section A, paragraph 10, and 52/212 B of 31 March 1998, paragraphs 3 to 5.

## II. Implementation of recommendations contained in paragraph 12 of the report of the Board of Auditors

4. In paragraph 12 (a) of the report of the Board of Auditors on the accounts of the United Nations for the biennium ended 31 December 1999, the Board recommended that clear guidelines be established to determine the circumstances under which advances may be made by the Office for the Coordination of Humanitarian Affairs from the unearmarked Disaster Relief Assistance Fund, the eligibility of recipients, the maximum level of advances and the period of repayment. The Board also recommended that action be taken to recover long-outstanding advances.

* The footnote requested by the General Assembly in its resolution 54/248 was not included in the present submission.

00-64133 (E) 311000

5. The Board's recommendations are noted. The Office has established a financial task force comprising senior managers from Geneva and New York, which will be responsible for monitoring on a regular basis the status of the unearmarked account, reviewing requests for unearmarked funds and making recommendations on the allocation of such funds on the basis of established criteria. In this context, the task force will also undertake a review of all outstanding advances made from the Disaster Relief Trust Fund with a view to recommending appropriate action. The Under-Secretary-General for Humanitarian Affairs is responsible for implementation of this recommendation.

6. In paragraph 12 (b), the Board recommended that efforts be strengthened to collect accounts receivable, particularly the amount of $25 million outstanding beyond one year.

7. The Administration has continued its efforts to review the balances of receivables and has taken measures to send billing statements and reminder letters on a more timely basis. The Assistant Secretary-General for Programme Planning, Budget and Accounts is responsible for implementation of the recommendation.

8. In paragraph 12 (c), the Board recommended that a consolidated database be implemented fully to facilitate the preparation of consolidated financial statements and to reduce the reliance on ad hoc reports, and that the Office of Programme Planning, Budget and Accounts ensure that all adjustments made in the preparation of the financial statements are approved and supported by an adequate audit trail.

9. The Administration would like to reiterate that the preparation of consolidated financial statements will not be possible until all duty stations have implemented the system, which is envisaged by April 2001. Temporary measures have been taken to consolidate the June 2000 Integrated Management Information System (IMIS) data for the United Nations Office at Geneva, the United Nations Office at Vienna and the Economic and Social Commission for Western Asia into United Nations Headquarters books electronically. The Assistant Secretary-General for Central Support Services is responsible for implementation of the first part of the recommendation.

10. To ensure that adjustments made in the preparation of financial statements are approved and supported by an adequate audit trail, the Office of Programme Planning, Budget and Accounts is holding discussions with the IMIS project team with a view to providing a script that would identify the entries required to adjust the accounts receivable and payable for reporting purposes. The Assistant Secretary-General for Programme Planning, Budget and Accounts is responsible for implementation of the second part of the recommendation.

11. In paragraph 12 (d), the Board recommended that an archiving facility be developed for IMIS as a matter of priority.

12. The development of an archiving and purging mechanism is already included in the IMIS work plan and preliminary work has already been undertaken. The Assistant Secretary-General for Central Support Services is responsible for implementation of this recommendation.

13. In paragraph 12 (e), the Board recommended that all outstanding test problem reports and system enhancement requests be reviewed and a comprehensive plan of action be drawn up to resolve the underlying issues.

14. The review of test problem reports and of system enhancement requests is an ongoing process conducted by the IMIS team in consultation with the users. As indicated in the comments contained in the tenth and eleventh IMIS progress reports, it will never be possible to address all the items pending since new items are added on a continuous basis, as is the practice and the norm for software products. Items to be worked on are prioritized on the basis of the impact on the operations of the system and on the benefits to be derived by the users. This review is now conducted also with the other user organizations within the framework of the newly created common service. The Assistant Secretary-General for Central Support Services is responsible for implementation of this recommendation.

15. In paragraph 12 (f), the Board recommended improvements in the dissemination of information to relevant departments on lessons learned from decisions of the arbitral tribunal arising from deficiencies in contract formulation, review and implementation, and further recommended that procurement officers exercise close control over draft purchase orders and prepare contract amendments promptly to reflect changes in contractual arrangements.

16. The Procurement Division attended the seminar organized by the Office of Legal Affairs concerning their experience and lessons learned from arbitration cases arising from United Nations contracts in June 1998 and January 2000. The report of the Office of Internal Oversight Services on the review of procurement-related arbitration cases (A/53/843) was distributed to staff members of the Procurement Division in March 1999. The Procurement Division has strict control over contractual documents and will ensure that any requirements to amend the contracts are prepared promptly. The Assistant Secretary-General for Central Support Services is responsible for implementation of this recommendation.

17. In paragraph 12 (g), the Board recommended that the Procurement Division ensure that all new contracts in excess of $200,000 that are not identical to previous contracts be submitted to the Office of Legal Affairs for review before finalization, and that the Office make every effort to carry out an effective review of new contracts in excess of $200,000 in accordance with the provisions of the Procurement Manual.

18. The Procurement Division will immediately ensure that all new contracts that are substantially different from other models or contracts previously reviewed by the Office of Legal Affairs are submitted for clearance. It should be noted that the Procurement Manual does not require that all contracts over $200,000 be submitted to the Office of Legal Affairs for review. The Procurement Manual states, in section 14.04.01, that the review need not be sought if the contract is to extend or renew an existing contract without "major" changes of terms and conditions, or if the contract is essentially identical to another contract previously reviewed by the Office. The Assistant Secretary-General for Central Support Services and the Under-Secretary-General for Legal Affairs are responsible for implementation of this recommendation.

19. In paragraph 12 (h), the Board recommended closer coordination between the General Legal Division and the Procurement Division in contract preparation and approval. In addition, a system for monitoring the status of requests for contract preparation and subsequent action should be established by the Procurement Division.

20. The Office of Legal Affairs and the Procurement Division are seeking to improve coordination and streamline the process with respect to the preparation and conclusion of contracts with outside counsel. It is hoped that with such a streamlined process it will be possible to avoid situations that have occurred in the past in which it was necessary for outside counsel, with the concurrence of the Procurement Division, to commence work before the written contract could be formally executed by both parties in order to protect the interests of the Organization in the arbitration cases in question.

21. In connection with the cases identified in the Board's report where it was necessary for outside counsel to commence work before the written contract had been formally executed, the Office of Legal Affairs has pointed out that the term of the contract ultimately concluded with outside counsel covered the entire period of counsel's work, and that no payments for services rendered by a law firm were made until a written contract was concluded. The Under-Secretary-General for Legal Affairs and the Assistant Secretary-General for Central Support Services are responsible for implementation of the first part of this recommendation.

22. The Procurement Division has established a suitable tracking system to monitor the status of all requisitions. The Assistant Secretary-General for Central Support Services is responsible for implementation of this portion of the recommendation.

23. In paragraph 12 (i), the Board recommended that the method of setting legal fee caps be reviewed with a view to strengthening control over the level of expenditure incurred for outside legal counsel.

24. Fee caps are sometimes broken down by phase of arbitration and are always based on stated assumptions and considerations, which determine whether later cap increases are justified. Whether and how to break down such caps depends on the unique circumstances of each case and on the negotiating position of the firms bidding on these services. With that understanding, the Office of Legal Affairs will continue to seek to ensure that when caps are employed these breakdowns are in the interest of the Organization.

25. It should be pointed out that the Office of Legal Affairs has recommended increases in fee caps only when new developments occur in a case that were not covered by the assumptions or other factors on which the initial agreed cap was based and that it has always provided a detailed explanation of and justification for

such increases. In addition, the Office has never recommended a cap increase in the absence of a request from outside counsel. In each instance, the amount approved was far less than that requested by outside counsel.

26. As a contractual matter, outside counsel will not agree to a fee cap without identifying the assumptions or factors underlying that agreed cap and without the understanding that if arrangements or factors change an appropriate adjustment on the cap will be necessary. The Office of Legal Affairs carefully reviews every request for a fee cap increase to ensure that it is legally justified on the basis of changed underlying assumptions or other factors. Moreover, experience demonstrates that the Organization has substantially benefited from the use of fee caps. The Office will continue to examine vigilantly any request by outside counsel for an increase in its fee cap to ensure that increases are allowed only when they are justified.

27. Also, in connection with this recommendation, the Office of Legal Affairs advises, with regard to the statement contained in paragraph 213 of the report of the Board of Auditors, that only a small portion of the case related to claims that had been settled previously, that the bulk of the case related to events that had occurred after the settlement had been entered into and that the arbitration proceedings required outside counsel to address the claims that had been settled previously. The Under-Secretary-General for Legal Affairs is responsible for implementation of this recommendation.

28. In paragraph 12 (j), the Board recommended that the Administration ensure, through the Office of Legal Affairs, that payments made to outside counsel not be requested before contracts and amendments are properly concluded, and that the Office of Programme Planning, Budget and Accounts ensure that payments to outside counsel are made only on the basis of valid contracts that have been signed by all parties.

29. The Administration agrees that payments should be made to a contractor only on the basis of a properly concluded contract or amendment thereof. The Controller and the Under-Secretary-General for Legal Affairs are responsible for ensuring that payments are made to contractors on the basis of a properly concluded contract or amendment thereto.

30. In paragraph 12 (k), the Board recommended that the Administration clearly segregate functions in the Office of Legal Affairs to ensure the operation of sound internal checks in the selection and recommendation of appointment, the proposal of contracts and requests of payment for services rendered by outside legal counsel.

31. The role of the Office of Legal Affairs in selecting and contracting with outside counsel is part of a system of checks and balances involving the Office of Central Support Services. As had been reported to the General Assembly in the report of the Secretary-General on procurement-related arbitration (A/54/458, para. 17), the Office of Legal Affairs solicits proposals from a field of three to five law firms that it determines have the special expertise and resources needed to represent the United Nations effectively in the case. It evaluates the proposals received and prepares a detailed analysis of those proposals, which it transmits to the Procurement Division together with the Office's recommendation as to which law firm should be engaged. Should the Procurement Division agree with the recommendation of the Office of Legal Affairs it transmits the recommendation to the Headquarters Committee on Contracts when the amount at issue is over the threshold required for review. The Headquarters Committee on Contracts makes a recommendation to the Assistant Secretary-General for Central Support Services, who gives final approval for entering into the contract. Once a contract is approved by the Assistant Secretary-General, the Procurement Division signs the contract with the law firm. In line with the recommendation of the Board, the Office of Legal Affairs is working with the Procurement Division to refine and streamline the process for dealing with these matters and is implementing additional measures to achieve a further segregation of functions with regard to the selection of and contracting with outside counsel, as well as the selection of arbitrators. The Under-Secretary-General for Legal Affairs is responsible for implementation of this recommendation.

32. In paragraph 12 (l), the Board recommended that a strategy be drawn up for the management of the United Nations accommodation in Geneva, which should include formal objectives that are specific and measurable.

33. During the biennium 2000-2001, the General Services Section at the United Nations Office at Geneva will redeploy resources to finance a survey of the condition of essential building structures and

systems. The Director, Division of Administration, at Geneva is responsible for implementation of this recommendation.

34. In paragraph 12 (m), the Board recommended that a system of periodic claims audit be established at the offices of the insurance companies so that the Administration has some reassurance that the claims are correct and representative of the actual charges made for medical care.

35. The complexity of the claims-processing systems is such that the recommended claims audit can be undertaken only by outside consulting or auditing firms with specific expertise in this area. However, the definition of the scope of work or terms of reference of such a claims audit is under way, in preparation for the issuance of requests for proposals to qualified consulting or auditing firms. It is expected that a request for proposal will be issued to the market for consulting services towards the end of the year. The Assistant Secretary-General for Programme Planning, Budget and Accounts is responsible for implementation of this recommendation.

36. In paragraph 12 (n), the Board recommended that an inventory of the stock of the United Nations newsstand be conducted jointly with the newsstand contractor at the earliest opportunity.

37. This matter will be addressed before a new contract for the newsstand operation enters into force in October 2000. The Assistant Secretary-General for Central Support Services is responsible for implementation of this recommendation.

## III. Implementation of recommendations contained in the body of the report

38. In paragraph 21 of its report, the Board recommended that certifying officers ensure that funds are available before approving expenditures on trust funds and that budget officers closely monitor trust funds to ensure that expenditures are within approved allotments.

39. The recommendation of the Board is accepted and the monitoring of expenditures, follow-up and coordination will be improved to strengthen budgetary control. The Assistant Secretary-General for Programme Planning, Budget and Accounts is responsible for implementation of this recommendation.

40. In paragraph 24, the Board recommended that the Office of Programme Planning, Budget and Accounts take action to review trust funds whose purposes have long been attained in order to identify and close those that are inactive and no longer required.

41. As recommended by the Board, the Administration continues to actively review the possible closure of trust funds that are inactive and no longer required. However, this process can be complex and lengthy, as it requires considerable coordination between substantive offices and donors. The Assistant Secretary-General for Programme Planning, Budget and Accounts is responsible for implementation of this recommendation.

42. In paragraph 41, the Board recommended that the United Nations Fund for International Partnerships (UNFIP) enforce the requirement for implementing partners to submit quarterly utilization reports within the required 30 days after the end of the quarter.

43. UNFIP has informed its implementing partners of the importance of the timely submission of financial reports to avoid project execution delays. A system has been established whereby reminders are sent regularly to each implementing partner indicating the type of report that is due for submission to UNFIP. Currently, UNFIP is reviewing the reporting. Discussions towards this end with the implementing partners are expected to facilitate the prompt submission of financial reports and improve the accuracy of expenditure reporting. The Executive Director, UNFIP, is responsible for implementation of this recommendation.

44. In paragraph 49, the Board recommended that UNFIP closely monitor submission of the report on the status of project accomplishments by implementing partners.

45. UNFIP is establishing a proactive monitoring system to ensure that the agreed reporting requirements are met in order to ensure planned project completion and output accountability. The Executive Director, UNFIP, is responsible for implementation of this recommendation.

46. In paragraph 53, the Board recommended that UNFIP include in project reports and documents clear information on planned and actual starting dates and project duration. The Board further recommended that

UNFIP modify the periodic financial utilization and progress reports to include an assessment of the degree to which the goals of the project have been achieved in comparison with targets.

47. Information on planned and actual starting dates and project duration is now included in all signed project documents. UNFIP is in the process of establishing a practical monitoring and evaluation framework, which includes a modification of the current financial reporting mechanism, in close cooperation with the implementing partners. The Executive Director, UNFIP, is responsible for implementation of this recommendation.

48. In paragraph 60, the Board recommended that UNFIP liaise with the Office of Programme Planning, Budget and Accounts and the United Nations Treasury to review the banking arrangements of the UNFIP specific trust fund account and the programme support account to ensure that the cash position of both funds is properly reflected.

49. The Office of Programme Planning, Budget and Accounts and UNFIP have reviewed the banking arrangements with the Treasury and are of the view that the maintenance of a single bank account is consistent with the policy of the United Nations to avoid bank account proliferation and unnecessary bank charges. The Board's concern that additional detail is necessary to separate the UNFIP trust fund (QGA) from the programme support account (QAA) will be addressed by the maintenance of separate records of the activities for each of the funds concerned while maintaining one cash account for both funds.

50. In paragraph 70, the Board recommended that the Department of General Assembly Affairs and Conference Services take action to render invoices for interpretation services provided on a reimbursable basis in respect of 18 meetings held between January and June 1999. The Board further recommended that the Department establish a mechanism for prompt billing for all services supplied on a reimbursable basis.

51. New internal procedures intended to make the recovery of costs more systematic and to reduce delays have been established in the Department. Recovery action in respect of sums outstanding from the period from January to June 1999 has been started. In the course of this process, it has now been determined that the amount that may be subject to recovery does not exceed $105,435, while the amount previously reported to the Board of Auditors was $155,135. This latter amount erroneously reflected a duplicate recording of the costs related to the third session of the Preparatory Committee for the 2000 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons. The amount for which recovery is being sought, when appropriate, includes $92,655 for interpretation services provided for intergovernmental meetings financed by extrabudgetary resources and meetings organized by specialized agencies. It also includes $12,780 for interpretation services provided to meetings organized by three permanent missions in New York and one regional intergovernmental organization. The Under-Secretary-General for General Assembly Affairs and Conference Services is responsible for implementation of this recommendation.

52. In paragraph 74, the Board recommended that the Administration: (a) strictly adhere to the credit limit set for each customer; and (b) regularly review customers' accounts receivable and take steps to recover long-outstanding balances.

53. The Department of Public Information, in coordination with the Revenue Accounts Unit of the Office of Programme Planning, Budget and Accounts, will institute a semi-annual review of accounts. As part of the review, credit limits will be assessed in line with the recommendation. Efforts will continue to improve the situation of overdue accounts. The Administration would like to point out that the situation has improved in the past two years. The Under-Secretary-General for Communications and Public Information is responsible for implementation of this recommendation.

54. In paragraph 108, the Board recommended that the Office of Programme Planning Budget and Accounts, in conjunction with the IMIS project team, promptly address the problem of the high rate of rejection of inter-office vouchers to reduce or eliminate the manual encoding into IMIS of inter-office transactions from offices away from Headquarters and to obtain the optimum benefit of automation.

55. The failure of the inter-office voucher "bridge" to process the required liquidation of obligations has been brought to the attention of the IMIS project team. However, most of the failures are due to data problems, such as the non-compliance by users at offices away from Headquarters with instructions provided by the

Office of Programme Planning, Budget and Accounts. With the introduction of automated processing of inter-office vouchers in IMIS, inter-office voucher liquidations will be automated between offices using IMIS. A new enhancement, the journal voucher import facility, which electronically inputs the rejected items, was made available in July 2000. The Assistant Secretaries-General for Programme Planning, Budget and Accounts and for Central Support Services are responsible for implementation of this recommendation.

56. In paragraph 111, the Board recommended that the IMIS project team take action to improve the design of interim reporting on unpaid assessed contributions during the second year of the biennium.

57. An analysis of the improvement of the design of interim reporting on unpaid assessed contributions during the second year of the biennium has been conducted. The recommendation requires introducing validation of input data in order to prevent users from making invalid queries during the second year of the biennium. The users of the reporting capability do not consider the change absolutely necessary, as such invalid criteria are never used. However, in order to further improve the design of the report generated from IMIS, an additional validation will be implemented in due course based on priorities and the availability of resources.

58. It should be noted that for the preparation of the unpaid assessed contribution schedule included in the financial statements, correct input parameters were used, and the resulting ending balance accurately reflected the status of unpaid assessed contributions for the United Nations General Fund as at 31 December 1999.

59. In paragraph 202, the Board recommended that the Office of Legal Affairs issue guidelines detailing the procedures for the selection of arbitrators and outside counsel to be included in the shortlist of potential candidates in order to enhance competitiveness and make the selection process more transparent.

60. The Office of Legal Affairs utilizes a standard process and criteria for shortlisting prospective arbitrators and outside counsel, which had previously been explained to the Advisory Committee on Administrative and Budgetary Questions and have been reported to the General Assembly in the report of the Secretary-General on procurement-related arbitration (A/54/458, sect. V). The "pools" from which the Office of Legal Affairs identifies prospective arbitrators and outside counsel are drawn from several sources, including published listings of arbitrators and law firms, which number in the many thousands, lists maintained by arbitral tribunals, consultations with experts in international commercial arbitration and with staff or former staff of international arbitral institutions and the like. From these extensive pools, the Office shortlists prospective arbitrators and outside counsel for particular cases. According to its records, approximately 37 individual prospective arbitrators and 28 law firms have been shortlisted. However, in response to this recommendation, the Office is developing formal guidelines on this matter. The Under-Secretary-General for Legal Affairs is responsible for implementation of this recommendation.

61. In paragraph 227, the Board recommended that the Office of Legal Affairs provide to the Advisory Committee on Administrative and Budgetary Questions, during its review of resource requirements, a consolidated summary setting out information on arbitration and other claims cases, such as the nature of the case and the amounts claimed.

62. The Office of Legal Affairs replied that, as requested, it has regularly reported on arbitration cases to the Advisory Committee on Administrative and Budgetary Questions. In consultation with the Board of Auditors, the Office has developed formats for consolidated summaries of arbitration and claims cases. The Office will continue to report to the Advisory Committee, using these formats or such other formats as the Committee may request, either upon request or at specified intervals.

63. In paragraph 234, the Board recommended that the United Nations Office at Nairobi: (a) take action to implement the policy on staggered invoicing whereby 90 per cent of the amount due is invoiced before the conclusion of the meeting and only the balance of 10 per cent is invoiced after the meeting; and (b) review its basis for invoicing actual costs and bill the client immediately after the conference.

64. In the course of the biennium 1998-1999, the procedure for charge-back of conference servicing costs provided for invoicing of total costs related to a meeting after the conclusion of the meeting. This

system was reviewed in the fourth quarter of 1999, and it was concluded that its continued application created a number of problems, most importantly with respect to the cash flow. As a result, a new procedure was developed and promulgated in November 1999. The new procedure has been fully implemented as from 2000. The Chief, Division of Administrative Services, United Nations Office at Nairobi, will continue to monitor implementation of the new procedure.

65. In paragraph 245, the Board recommended that the Audit and Management Consulting Division of the Office of Internal Oversight Services ensure that working papers have been completed and reviewed in accordance with applicable standards, including indexing and cross-referencing.

66. The Division agrees with the recommendation, and management has installed additional controls, including the completion and review of a more detailed checklist, to ensure the proper preparation, organization and other required handling of audit working papers. The Information Technology Task Force established by OIOS to review its information technology requirements and formulate a plan for implementing appropriate solutions will address the Division's requirements for automating working paper preparation. The Under-Secretary-General for Internal Oversight Services is responsible for implementation of this recommendation.

67. In paragraph 249, the Board recommended that the Audit and Management Consulting Division ensure that the process of internal control evaluation is documented in accordance with the provisions of the Audit Manual.

68. The Division agrees with the recommendation and has put new procedures in place for planning and executing audit assignments. These new procedures became fully operational at the end of 1999. The Under-Secretary-General for Internal Oversight Services is responsible for implementation of this recommendation.

69. In paragraph 253, the Board recommended that the Audit and Management Consulting Division improve the timeliness of issuing audit reports.

70. The Division agrees with the recommendation, and it is being implemented on an ongoing basis. The new controls and procedures established for the planning and execution of audit assignments provide for specific checks aimed at the speedier preparation and issuance of audit reports.

71. In paragraph 271, the Board recommended that the Department of Political Affairs and the Department of Public Information comply with established procedures in the preparation of programme performance reports.

72. The understanding agreed upon by the Department of Political Affairs and the Office of Internal Oversight Services on how to present recurrent meetings or publications in the programme performance report is that a single entry is made per output per year in the report's main tables, irrespective of the number of times the meeting is held on the same subject or the publication is issued under the same title. The Board's counting of implemented activities seems to require the repetition of each individual output in that report, which served as the basis for its findings. While the Department took note of the Board's recommendation and reaffirmed its intent to comply with established procedures for the preparation of subsequent reports, it also suggested that the Board of Auditors discuss in greater detail with the substantive departments and the Office of Internal Oversight Services how the instructions for the preparation of the programme performance report should be interpreted, especially when referring to identification of recurrent outputs. The Under-Secretary-General for Political Affairs is responsible for implementation of this recommendation.

73. The Department of Public Information agrees that programme performance reporting should be as accurate as possible, with adequate explanations provided in cases of termination and reformulation. The Department has reviewed the terminations and reformulations reported for the biennium 1998-1999 and would like to express its intent to ensure more accuracy in future programme performance reports.

74. The inventory for the biennium 2000-2001 is being drafted to allow for more accurate reporting. The Department attaches great priority to ensuring that all outputs and activities in the proposed 2002-2003 programme budget, under consideration now, are accurate and quantifiable, thus providing a sound foundation for the preparation of the 2002-2003 programme performance report.

75. Action will be taken to ensure that work-months are duly reflected for all activities. This entails, in

particular, an adaptation of the Integrated Monitoring and Documentation Information System (IMDIS) to enable all United Nations information centres, information services and offices to report their work-months directly on the IMDIS system. At present, only the United Nations information services at Geneva and Vienna have the capacity to report their respective programme performance (and work-months) directly into IMDIS. The Department of Public Information is exploring, with the Central Monitoring and Inspection Unit of the Office of Internal Oversight Services and the Department of Economic and Social Affairs, ways of allowing other United Nations information centres, information services and offices to report directly into IMDIS. The Under-Secretary-General for Communications and Public Information is responsible for implementation of this recommendation.

76. In paragraph 276, the Board recommended that the Administration issue instructions to all departments to input planned work-months into IMDIS to enable management to monitor performance against planned work schedules.

77. In the past biennium, estimates of work-months at the level of each activity and output have proven to be imprecise, owing to frequent changes in mandates and organizational structures, and, therefore, of little value. The process is also extremely time- and labour-intensive. Currently, IMDIS and the performance appraisal system are being applied to assess individual performance in respect of the quality and timeliness of programme delivery. The Administration will keep this recommendation under review. The Under-Secretary-General for Internal Oversight Services is responsible for implementation of this recommendation.

78. In paragraph 285, the Board recommended that the Economic and Social Commission for Asia and the Pacific establish norms for rental accommodation as envisaged in the scheme of rental subsidy. The Board also recommended that certifying officers ensure that all claims for rental subsidy are supported by full and complete documentation in order to determine the reasonableness of the claims.

79. A Working Group on rental subsidies has been set up at ESCAP to discuss modalities of establishing norms for rental accommodation. In order to compile information on typical rental charges for houses and apartments in various parts of the Bangkok duty station and its suburbs, a questionnaire was developed that focused on the location and type of accommodation, dwelling size and estimated monthly rent. The questionnaire was forwarded to three reputable real estate agencies for completion, the responses were consolidated, and average rental charges for houses and apartments in different locations were formulated for review by the Working Group.

80. The Working Group is required to complete its review of the data and forward recommendations on maximum rental levels to the Inter-Agency Cost of Living Committee in Bangkok for consideration and endorsement, as it may have a direct impact on the post adjustment multiplier. The Working Group is expected to convene its next meeting on the subject in September/October 2000, and will make every effort to expedite action on this important issue. In the meantime, certifying officers are requested to ensure that all claims for rental subsidy are supported by full and complete documentation in order to determine the reasonableness of the claims. The Chief, Division of Administration, ESCAP, is responsible for implementation of this recommendation.

81. In paragraph 289, the Board recommended that ESCAP request the lessees to adhere to their obligation to pay rent promptly to ESCAP in accordance with the lease agreement, and that ESCAP in future consider including a penalty clause in the lease agreement/contract for delays or for non-payment of rent.

82. A monitoring system has been instituted to ensure that there is no delay in following up on receipts at ESCAP. Inclusion of a penalty clause in the lease agreement/contract for delays or for non-payment of rent will be considered when a new lease is negotiated. The Chief, Division of Administration, ESCAP, is responsible for implementation of this recommendation.

83. In paragraph 295, the Board recommended that the Human Resources Management Service at the United Nations Office at Geneva encourage departments to facilitate staff continuity and recruitment by promptly notifying it of their recruitment plans.

84. Efforts to reduce the time gap between staff members separating from service upon reaching the mandatory age of retirement and having a replacement ready to report for duty following his or her selection through the appointment and promotion process will continue to be given high priority by the Human

Resources Management Service. The Service has, on the one hand, actively continued to project vacancies, ensuring timely follow-up action with departments and services. On the other hand, the Service is taking the necessary measures to reduce the time required for processing.

85. Although it relates to recruitment activity after the time period covered by the report, the United Nations Office at Geneva would like to note the small measure of success achieved in the first half of this year, which is most noticeable in the area where the Office has full delegation of authority, namely, in the filling of General Service vacancies. More specifically, the action of the Service has resulted in five General Service recruitments and/or placements in which the candidate was able to report for duty on the day the foreseen vacancy became available. Two additional candidates were selected in the first half of the year for posts that were being vacated in July and August. For Professional staff, in two instances, the gap between a staff member's retiring and a candidate's being selected was narrowed to a month and a half to two months.

86. The United Nations Office at Geneva is also pleased to report that since 1999, the average time taken from the date of notification of a General Service vacancy to approval by the Director-General has been further reduced to 12.1 weeks (from 13.5 weeks). In the Professional category, the total average time taken for recruitment and placement has decreased significantly (to 127 days from 236 days), with a reduction in the time spent for pre-screening of applications as well as departmental review and recommendation. In these cases it should be noted that most of the vacancies were advertised and filled internally.

87. Irrespective of the improvements noted above, the most time-consuming step in the recruitment and placement process remains the departmental review of candidates and the formulation of the department's recommendation. The human resources officers are in permanent contact with the respective departments, assisting them in succession planning, the preparation of documentation, the organization of departmental panel meetings and the like to further reduce this time lag. This local initiative is being further enhanced through the recent introduction of Office of Human Resources Management action plans to build successful partnerships with departments and offices where local human resources management services have direct input into joint planning for effective and efficient human resources management. The Director, Division of Administration, United Nations Office at Geneva, is responsible for implementation of the recommendation.

88. In paragraph 298, the Board recommended that the United Nations Postal Administration ensure that memoranda of agreement or contracts are concluded with all consignment agencies to protect the interests of the Organization.

89. Data on accounts receivable for the mega-stamp system have been reconciled and adjusted upon removal from the system of all inactive agencies. The operation of all inactive agencies is covered by either contractual arrangements or letters of agreement. The Assistant Secretary-General for Central Support Services is responsible for implementation of this recommendation.

*Notes*

[1] *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 5* (A/55/5), vol. I, chap. II.